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A COMPARATIVE STUDY OF LAND REFORM IN SOUTH ASIA*

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Section I. Introduction

Agrarian reform is perhaps the most crucial test which political regimes in predominantly agrarian economies of South Asia[1/] have to pass in order to maintain their political credibility with the people. And yet there are very few areas of socio-economic policy where the gap between policy formulation, legislation and its implementation is as wide as in the sphere of agrarian reform. As a first approximation to our discussion, it is perhaps a legitimate simplification to identify the wider problem of agrarian reform with the somewhat narrower problem of land reform. But even land reform, especially in the context of South Asia, is a highly complex issue with several interrelated aspects.

For analytical purposes, one could distinguish at least five major aspects of a land reform programme. They are:

(1) Continuous updating of land records which is essential for the formulation and timely revision of policies as well as for the implementation of land reform programme.

(2) Ceiling on land ownership and the distribution of land held in surplus above the ceiling.

(3) Tenancy reform involving rent control, security of tenancy and abolition of intermediaries.

(4) Consolidation of fragmented land holdings for more effective use of land and labour; and, finally.

(5) More effective management of important complementary resources like water and credit, which is essential for the viability or any land reform programme over time.

It should be stressed that these various interrelated aspects of land reform mentioned above, presuppose in a certain sense only a "moderate" degree of reform. For, the above characterization implies continuation of private property rights in land and it is only in that sense that imposition of ceiling on private land ownership or control of rent assumes crucial importance. It remains an open question whether in the context of South

/Asia, land

1/ Includes Bangladesh, India, Nepal, Pakistan and Sri Lanka.

Asia, land reform must necessarily be envisaged as a "moderate" programme in the above sense. But the answer to this question is usually political rather than economic - the governments in these countries have so far viewed programmes of land reform essentially in this "moderate" way, instead of more extreme changes involving abolition of private property rights in land. Consequently, in order to judge the efficacies of various land reform programmes initiated in these countries, we could take the declared government policies as a point of reference in the given political context.

The multi-dimensional character of the land reform programme resulting from its various inter-related aspects, considerably complicates the issue regarding the objective of land reform. Indeed, it is not at all clear that the multi-dimensional character of land reform can be related to a single clear objective. Under these circumstances, it is hardly surprising that even arguments in favour of land reform vary enormously, as the underlying objectives of reform keep shifting, rather than being unanimously agreed. Thus, at one end of the spectrum are pure economic arguments in favour of land reform based upon "static efficiency" considerations which try to demonstrate that smaller operational holdings lead to more intensive application of family labour per unit of land and thus tends to raise yield per acre[2/]. At the other end of the spectrum are predominantly political arguments which visualize a through-going land reform as the main, if not only, route for altering the uneven power structure in the countryside. In between such extremes of a wide spectrum of opinion, lies a host of other considerations, e.g. the employment generating aspect of land reform, its consequences for the volume of marketed surplus and terms of trade between agriculture and industry or its impact on the real wage rate and earnings[3/]. There is also a class of considerations involving "dynamic efficiency" in terms of land-improving productive investment in agriculture, which is

/usually

2/ N. Georgescu - Rogen in 'Economic Theory and Agrarian Reforms', Oxford Economic Papers, February, 1960 sharply formulated this range of issues, which was also debated in great detail in the context of the so-called "size-productivity" debate in Indian agriculture. Krishna Bharadwaj's Production Conditions in Indian Agriculture (University of Cambridge, Department of Applied Economics, Occasional Paper No. 33), particularly chapters 2 to 4, provides quite an exhaustive and critical summary of the Indian debate.

3/ See, for example, M.R. Rosenzweig, "Rural wages, Labour Supply and Land Reform", American Economic Review, December 1978 on this last point.

urually assigned an important role especially in the context of debates on tenancy reform. For, it has usually been argued that insecured tenancy typically hinders longer-term agricultural investment in land.[4/]

While it is evidently impossible to judge the plausibility of these various arguments, the very existence of such a variety of opinions and justifications for land reform confirm the fact that land reform as a broad policy instrument is not necessarily coupled with any single objective, either in the minds of economists or of policy makers. Like land reform itself, its objective also appears to be multi-dimensional, making any evaluation of land reform programmes in terms of objectives correspondingly more difficult.

In spite of the complexity of the land reform issue - arising both from the multiplicity of objectives as well as the multi-dimensional character of the reform - there appears to be some basic similarities among the backward agrarian economies of South Asia, which makes a comparative study worthwhile. Among the several common characteristics, perhaps the most important is the wide-spread rural poverty and the associated phenomenon of massive unemployment and under-employment in the rural areas of South Asia. This compels one to consider the question of land reform in the context of these common problems of rural poverty and unemployment and thus provides a unifying perspective to any comparative study of land reform across countries of South Asia.

Secondly, the whole region is also characterized by a relatively unfavourable ratio of cultivated land to man, with significant variation in the ratio within the region itself. This again is a more or less common element of the entire region, permitting a comparative analysis of land reform in the context of relative land scarcity.

Finally, there also seems to be some common features exhibited across countries of South Asia in the management of complementary natural resources, particularly water management, which permits one to explore the common link between land and water management in these countries. Thus, in spite of

/very wide

4/ This point has been repeatedly emphasised by many investigators and official documents on tenancy reform. To give only one example, the Report of the Banking Commission of 1931 expresses the view that in Sri Lanka "occupancy at will is not conducive to a sound policy of agricultural progress or of agricultural finance" and also that "a tenant who leases a plot of land has no certainty of continuity of tenure (and therefore) no ambition to improve the value of his crop by systematic manuring of the soil."

very wide geographical, ecological and even considerable political variations within the region, the whole question of land reform at least partially assumes a common perspective across countries of South Asia against the background of their stark rural poverty and unemployment in a context of relative land scarcity and poor water management. It is this commonness of perspective, which seems to make a comparative study of land reform worthwhile for South Asian countries.

The present paper attempts such a broad comparative study. The next Section goes into the question of land ceiling and distribution of surplus land resulting from the imposition of ceiling laws. Section III deals with the question of tenancy reform. Section IV goes into the problem of "productive aspects" of land reform, namely, consolidation of fragmented land and management of complementary natural resources, especially water. The last Section draws lessons from past experiences on land reform in countries of South Asia and attempts to provide a perspective on the major issues involved.

Section II. Land Ceiling and Distribution of Surplus Land

In spite of considerable variation in population density among countries of South Asia, they all share a common characteristic of relatively low ratio of cultivated land per man. Table 1 below gives a glimpse of this for the year 1975[5/]:

Table 1

Country	Per capita arable land and land under permanent crops (hectares)	Per capita all land (hectares)
Bangladesh	0.12	0.20
India	0.26	0.55
Nepal	0.16	0.12
Pakistan	0.28	1.14
Sri Lanka	0.25	0.52

5/ Source: FAO, Production Year Book, except for Sri Lanka which is computed from national sources.

But this problem of a low land-man ratio in agriculture has been immensely aggravated by an extremely uneven pattern of distribution of land ownership, which makes the land availability problem far grimmer for poorer households than can be suggested by any figure of broad national averages. Thus, at the lower end of the land ownership spectrum, there are landlessness to near-landlessness of the poor households coexisting with relatively large holdings at the upper end of the same land ownership spectrum. While strictly comparable data across countries are difficult to obtain, this broad pattern of an "artificial" scarcity of cultivable land caused by extremely uneven land ownership distribution superimposed on a situation of "natural" land scarcity, is common to all the countries of South Asia. Table 2 below[6/] presents the broad dimensions of the problem in terms of the percentage of total rural households who have little to no land:

Table 2

	Bangladesh (1968)	India (1971)	Nepal (1971)	Pakistan (1972)	Sri Lanka (1971) Non Paddy	Paddy
Less than 0.5 hectare	22	30	n.a.	3	n.a.	35.0
0.5 - 1.0 hectare	17	16	n.a.	4	n.a.	29.0
Subtotal	39	46	53.5	7	22.3	64.0
Landless	31	10	n.a.	34	40.0	25(a)
Total of landless and holdings below one hectare	70	56	n.a.	41	62.3	89.0

Notes on Table 2 - (a) The landlessness figures in paddy and non-paddy relate to the year 1962.

6/ This Table has been compiled from various official and international sources. They are not strictly comparable and should be construed only as order of magnitudes. The figures for Bangladesh, India and Pakistan are summarized in The World Development Report, World Bank, August, 1978, p. 38. The figures for Nepal are obtained from M.A. Zaman, Evaluation of Land Reform in Nepal, 1972. The figures for Sri Lanka relate separately to paddy and non-paddy cultivation and are computed from Department of Census and Statistics, Census of Agriculture, 1962 for landlessness and FAO Country Review Paper on Sri Lanka prepared for the World Conference on Agrarian Reform and Rural Development (ARRD/CRP/9) in 1978. With non-paddy cultivation, the cumulative percentage figure of holdings below 1 hectare is 47.3.

The staggering dimensions of the problem of landlessness to near-landlessness is evident from the above table, and the problem of land ceiling and distribution of surplus land has to be understood in this context.

In Bangladesh (the then-East Pakistan), the first attempts at land reform came into the forefront with the East Bengal Estate Acquisition and Tenancy Act of 1950[7]. According to this Act, all cultivable lands in excess of 100 'bighas' (33.3 acres) per family or 10 'bighas' per member of the family, whichever was larger, plus homestead land upto a maximum of 10 'bighas', were to be acquired by the government. The ceiling was relaxable in cases of tea, coffee, sugarcane and rubber plantation, carsia leaves, gardens, orchards and large-scale farming by the use of power-driven mechanical appliances and large-scale dairy farming. According to the Act, the excess land thus acquired would be distributed among bona fide cultivators holding less than 3 acres of land. For acquisition of "excess" (i.e. above ceiling) lands, compensation was payable at the rate of 5 times the annual net profit from the land. It was also decided that compensation could be paid either in cash or in non-negotiable bonds with not more than 40 annual instalments, carrying a 3 per cent interest.

The implementation of the ceiling law in Bangladesh was exceptionally tardy. Even though legally "summary procedures" were adopted, it took six years (1951-56) to acquire just 443 estates[8], which were bigger estates with easily identifiable legal ownerships. In 1961, three years after Ayub Khan took over power, the ceiling was raised to 375 'bighas' and whenever feasible, the previously resumed surplus land which was now below the ceiling was restored to the original owners. According to one estimate the number of families having land over 375 'bighas' was only 439[9] and the total amount of surplus land made available was a meagre 163741 acres[10], which constituted only about 1 per cent of the total cropped area of 1947-48. It has been calculated this would have possibly amounted to about 0.12 acres of cultivable land per landless family in Bangladesh.[11]

/With the

7/ For details, see Report of the Land Revenue Commission (also known as the Mahmud Report after the name of the Chairman, Khan Bahadur Mohammed Mahmud, of the Commission), East Pakistan Government Press, 1959, especially pp. 3-5.

8/ Ibid. P. 4.

9/ Abu Abdullah, "Land Reform and Agrarian Change in Bangladesh," Bangladesh Development Studies, No. 1, Vol. 4, 1976, p. 82.

10/ Ibid. P. 83.

11/ Kamal Siddiqui, The Political Economy of Land Reforms in Bangladesh, (memeo, third draft), p. 63.

With the emergence of Bangladesh as a sovereign state and the assumption of power by the new government around the end of 1971, land ceiling was again lowered to 100 'bighas' per family in 1972 and it was decided that the surplus land will be distributed to families with less than 1.5 acres. While the government in power at that time gave estimates that between 0.80 to 1.2 million acres of surplus land would be made available through this imposition of ceiling, the actual surplus land obtained was only about 58 thousand acres from 5371 families, of which by the end of 1975 the government could actually take possession of only about 31 thousand acres. These figures speak for themselves about the total ineffectiveness of the land ceiling law. Latest available statistics point to the same old malady of landlessness at one end and considerable land ownership at the other end of the land ownership spectrum. Thus, in 1977, after almost thirty years of continuous deliberations on land ceiling in Bangladesh, the top 9.7 per cent of the rural households held 40.7 per cent of the total agricultural land while the lowest 77.7 per cent of households held only 25 per cent of the total agricultural land[12/], while landlessness steadily increased from 28.1 per cent in 1960, to 31.1 per cent in 1968 and to 32.8 per cent in 1977.[13/]

Compared even to the dismal performance of successive governments in Bangladesh in carrying out the land-ceiling law, the performance of her immediate neighbours appear not much better. In India, the land question was taken up on the eve of independence by the Congress Agrarian Reforms Committee which came up with the far-reaching recommendation that an upper ceiling to land ownership equal to three times an economic holding is to be permitted[14/]. It was on this basis that land ceilings were first defined and the net result of the ceiling legislation was a meagre surplus of about 1 million hectares of land out of a total of 141 million hectares. It has been estimated that not more than 0.53 million of this surplus land was actually distributed.[15/] In this first phase of post-independence land reform, the land ceiling was kept high and was applied to individuals rather than to the

/family.

12/ Ibid. p. 124, based upon 1977 Land Occupancy Survey, Bangladesh Bureau of Statistics, Table DII.

13/ Ibid.

14/ The "economic holding" was qualitatively defined as holding affording a reasonable standard of living and providing full employment to a family of normal size having at least one pair of bullocks.

15/ Draft First Five-Year Plan, 1974-79, Government of India, Planning Commission, Vol. II., P. 43.

family. A review of the progress of the land ceiling legislation was undertaken in 1972 at a conference of Chief Ministers of States on ceilings on agricultural holdings and fresh legislations were enacted in almost all the States of India. The new ceiling laws operated on the unit of family rather than on individuals, with a five-member family including minor children defined as the normal size and major sons as separate unit. The maximum ceiling was brought down to about 10 to 18 acres of double cropped land with assured irrigation, while a maximum of 27 acres was allowed in case of single cropped land and 54 acres for all other kinds of land, except when the land

/was located

Table 3

(Land ceiling in acres in India: State-wise in 1960's and 1970's)

State	Phase 1 (1960's)	Phase 2 (1970's)
Andhra Pradesh	27 to 324	12 to 54
Assam	50	15 (plus 5 acres of orchard land)
Bihar	24 to 72	15 to 45
Gujarat[a]	10 to 132	10 to 54
Haryana	30 to 60	18 to 54
Himachal Pradesh	Land assessed to revenue of Rs. 125 p.a.	10 to 70
Jammu & Kashmir	22.8	12.5
Kerala[a]	15 to 37.5	15 to 45[b]
Madhya Pradesh	25 to 75	15 to 45
Maharashtra	N.A.	18 to 48
Orissa	20 to 80	2 to 6
Punjab[a]	30 to 60	18 to 50
Rajasthan [a]	22 to 336	18 to 54[c]
Uttar Pradesh	40 to 80	18 to 45
Tamil Nadu[a]	30 to 120	15 to 45
West Bengal	25	12.4 to 17.3

Notes on table 3. (a) During the first phase, in these States the limit was applied to individual owners, rather than family unit.
(b) In relation to double cropped land.
(c) Upto 175 acres in the desert zone of Rajasthan.

was located in desert or hilly areas. Table 3 below gives a State-wise comparison of land-ceiling imposed in these two phases of the ceiling legislation in India[16/].

While detailed State-wise evaluation of the progress made in the application of the ceiling laws is behond the scope of the present paper, an overall recent summing up by the Planning Commission of India indicates the unsatisfactory state of affairs: "Out of about 2 million hectares of land declared surplus, hardly 25 per cent of the area has been distributed. Only about 1/3rd of the land distributed has accrued to the members of the Scheduled Castes and Scheduled Tribes. The slow progress is due to the unsatisfactory implementation of ceiling laws."[17/] In brief, it would appear that tighter ceiling laws in 1970's have resulted in an almost doubling of land declared as 'surplus' - from an estimated 1 million hectares to almost 2 million hectares. This means slightly over only 1 per cent of the gross cultivated land has been declared surplus by the operation of ceiling laws in India to date. But, as opposed to land declared surplus, the actually distributed land has remained fairly constant at around 0.5 to 0.6 million hectares, only 0.42 per cent of the cultivated area in the country. This, by any account, is a dismal performance and as a matter of simple arithmetic, one cannot expect a redistribution of about 0.4 per cent of the total cultivated land to have any perceptible influence on the pattern of land ownership distribution of the country.

In Pakistan (the then-West Pakistan), the Agrarian Reforms Committee of the Muslim League had expressed itself in favour of a ceiling on land ownership of 150 acres of average irrigated land, 300 acres of semi-irrigated or 450 acres of 'barani' land for the family at the time of independence and these figures were also adopted by the National Planning Board in the Draft First Five Year Plan of Pakistan. However, these remained no more than intentions on paper, until under Ayub Khan's Martial Law Government a Land Reform Commission was set up in 1958, and Martial Law Regulation No. 64 in 1959 gave clear directives on the land ceiling question. The Commission was exceptionally generous to the large land-owning classes and recommended a

/ceiling of

16/ For a more detailed account, see P.C. Bansil, Agricultural Problems of India, Vikas Publishing House, Delhi, 1975, especially tables 9.5 and 10.3 where for each State (i) level of ceiling, (ii) unit of application, (iii) outer limit of ceiling, (iv) exemption clauses, (v) compensation laws, (vi) persons to whom distribution of excess land is to be made and (vii) retrospective date of application of the law are presented in some detail.

17/ Draft Five Year Plan, 1978-83, Government of India, Planning Commission (1978), p. 131.

ceiling of 500 acres of irrigated or 1,000 acres of unirrigated land for each individual owner with a right to gift to his legal heirs half that amount before the ceiling was applied. Although almost absurdly high as ceilings on land-holdings, the extreme concentration of holdings in West Pakistan's agriculture did imply a substantial amount of surplus land above ceiling. According to data compiled by the Planning Board of Pakistan[18/], 3.3 million persons owning less than 5 acres each, owned in all 7.4 million acres of land. On the other hand, only 6,061 persons owning 500 acres or more each, had 7.5 million acres of land in their possession at that time.

As a result of the ceiling law, there was a surrender of 1.09 million acres out of a total of 48.64 million acres. Of this surrendered land, about half was not cultivable and only 0.496 million acres could be settled with peasants benefitting approximately 48 thousand people. Table 4 below shows the net achievement of the 1959 Martial Law Regulation No. 64 regarding land ceiling[19/].

Table 4

Progress of Land Reform under MLR 64

(In thousand acres)

	Punjab	Sind	NWFP	Baluchistan	Total
Area resumed	509	293	240	53	1,094
Area distributed	80	124	240	53	496
No. of persons benefitting	9,079	12,130	24,314	2,900	48,423

18/ Source: Planning Commission, Government of Pakistan, Land Reforms in Pakistan, Vol. 1, 1960, which gives the following figures for (west) Pakistan:

Land Ownership Pattern in 1950's

Holding size	Per cent of total land held
5 acres or less	15.3
5 to 25 acres	31.7
25 to 100 acres	21.8
100 to 500 acres	15.8
500 acres and above	15.4

19/ Source: Economic Survey, 1976-77, p. 191, Government of Pakistan.

Significantly enough, as the above table shows, land ceiling law was least effective in the Punjab, which traditionally provided the dominant regional basis of the military in Pakistan. With only about 1 per cent of the total land actually redistributed as surplus in a situation of marked inequality in land ownership even by South Asian standards, it is not surprising that the Martial Law Regulation hardly changed the agrarian structure of Pakistan. The Pakistan Census of Agriculture of 1972 clearly demonstrated the total ineffectiveness of the measure and under President Bhutto's regime a new Martial Law Regulation 115 was promulgated on 11 March, 1972. The table 5 below gives a comparison of the two regulations in a schematic way in important aspects[20/].

Table 5

Comparison of Land Reform Legislation in Pakistan in 1959 and 1972

Martial Law Regulation 64 of 1959	Martial Law Regulation 115 of 1972
1. Basis of holding - Family head.	1. Individual.
2. Ceiling of 500 acres irrigated or 1,000 acres unirrigated land.	2. Ceiling reduced to 150 acres irrigated to 300 acres unirrigated land with some bonus for owners of tractors, tubewells.
3. Stud and livestock farm and orchards exempted.	3. No. exemption.
4. Recognized religious and educational institutions not subject to ceiling.	4. Educational institutions including universities not subject to ceiling.
5. No specific provision was made about resumption of land acquired by government servants.	5. Land above 100 acres acquired by government servants to be resumed.
6. Compensation was through heritable, transferable, but non-negotiable bonds carrying 4 per cent simple interest.	6. No compensation to be paid to the owners from whom land is resumed.

20/ See, I.L.O. Working Paper (WEP 10/WPI), "Land Reform in Asia with particular reference to Pakistan, the Philippines and Thailand, edited by Zubeda M. Ahmed, Geneva, March, 1976, P. 28.

The Table 6 below gives a brief account of the progress of the ceiling law of 1972 upto July, 1974[21].

Table 6

Area Resumed and Allotted upto 31 July, 1974 in Pakistan

(In thousand acres)

	Punjab	Sind	NWFP	Baluchistan	Total
Resumed	245	246	134	245	871
Allotted	152	106	124	25	409
Balance	93	140	10	220	462

In one of the most detailed studies of the 1972 land reform regulation, Herring and Chaudhry[22] estimated that approximately 2.83 million acres of land should have been available as surplus. A comparison with Table 6 shows that only about 31 per cent of that estimated potential was declared as surplus and as little as 14 per cent of the estimated potential surplus was actually distributed. With this meagre amount of surplus land redistributed among small owners and tenants, it is not surprising that upto March, 1974, only 41 thousand or about 1.6 per cent of Pakistan's 2.5 million small owners and tenants (with less than 2 hectares of land holding) could benefit from the land reform programme. Given that land distribution is perhaps more uneven in Pakistan compared to other South Asian countries[23], with Gini co-efficient as high as 0.60 in 1960 (including the then-East Pakistan which had a relatively more even land distribution), this could not, by any standard, be considered a very substantial achievement in reforming the ownership structure in land.

A Landmark in the evolution of agrarian relations in Nepal was set by Land Acts and Rules, enacted in 1964. The Land Act of 1964 fixed an overall national ceiling of 16.4 hectares of agricultural land per person or his family, with large regional variations permitted around the national ceiling. Table 7 below provides in a schematic form the considerable regional variations permitted in the 1964 Act.[24]

/Table 7

21/ Ibid. p. 47, original source: Federal Land Commission, Government of Pakistan.

22/ R. Herring and G. Chaudhry, "The 1972 Land Reforms in Pakistan and their Economic Implications: A Preliminary Analysis", Pakistan Development Review, Vol. 13, No. 3, Autumn, 1974.

23/ See, Rural Asia: Challenge and Opportunity, Asian Development Bank, 1977, p. 98, for a comparison of land distribution across Asian countries.

24/ M.A. Zaman, Evaluation of Land Reform in Nepal, Ministry of Land Reforms, His Majesty's Government of Nepal, Government Press, Kathmandu, 1973, pp. 12-13.

Table 7

Ownership Ceiling according to Land Act, 1964 of Nepal by Regions

(Hectares)

	Agricultural Land ceiling	Homestead ceiling
1. Terai and Inner Terai	16.4	2.0
2. Kathmandu Valley	2.7	0.4
3. Hilly Region other than Kathmandu Valley	4.1	0.8

By the same Act, government land, land in possession of medical, educational and religious institutions and land used for co-operative farming were exempted. It was decided that compensation payable would be 10 to 30 times the land revenue for cultivated land, 5 to 10 times for grass and bush land and equivalent to land revenue for waste land, with 10 per cent of compensation paid in cash and the remaining in negotiable bonds of a ten year maturity period, carrying a 3 to 5 per cent interest rate. Allottees on the other hand, had to pay the price determined by the amount of compensation, in not more than ten annual instalments with a 10 per cent interest rate on the unpaid amount.

As a result of the ceiling act, only 9,136 persons with about 50,580 hectares of land in excess of ceiling were identified[25/]. Of this surplus land, upto 1971, about 35 thousand hectares were actually acquired and 21 thousand hectares allotted to 10,522 households. The compensation payable to the landlord was of the order of Rupees 22 million, while the allottees paid upto 1971 only Rs. 0.8 million to the State, implying considerable liability of interest payments by the State. Briefly, this amounted to approximately 2.2 per cent of the total cultivated land declared as surplus, about 1.5 per cent of cultivated land acquired and only 0.9 per cent of the total cultivated land allotted to the poor peasants and tenants. With such a marginal programme of land redistribution, it is not surprising that the pattern of land ownership basically remained unaffected by the 1964 reform and in no meaningful sense, could that reform programme be considered successful in Nepal.

/In Sri Lanka,

25/ Ibid., p. 27

In Sri Lanka, the recent Land Reform Act of 1972, further amended in 1975, applied to all land in the country, including estates involved in commercial export plantation. In the first phase a ceiling of 50 acres on private holdings/estates and 25 acres on paddy land was applied. The second phase included the nationalization of all public company estates both national and non-national. Compensation for the expropriation of foreign owned estates were to be paid in foreign exchange.

The two-phased programme of the application of land ceiling in Sri Lanka resulted in the acquisition of 981 thousand acres of land accounting for roughly 14 per cent of the agricultural land in the country[26/]. The bulk of these lands (84%) was in the overpopulated West Zone and consisted mainly of tea, rubber and coconut estates.

The achievement both in terms of the amount of land acquired and vested in the Land Reform Commission and the speed with which this programme was implemented - it was done in a short time of two years - must be considered quite spectacular in the context of the general South Asian experience narrated above. The programme however was much less impressive when it came to the distribution of the acquired land. Here the process was essentially limited to a bureaucratic take over and a hasty, unplanned disposition, usually through lease, of the surplus land to newly created statutory bodies like the State Plantation Corporation and some distribution of land to private individuals. Partly, the land was also distributed through the newly created co-operative farms, called the "Janawasas" and through, what turned out to be a political patronage system - the Electoral Land Reform Co-operatives with the member of the Parliament as the Chairman.

It has been estimated that not more than 10 per cent of the acquired land was distributed to landless peasants[27/], the majority receiving less than one acre each. Thus, the only important change in regard to the large plantations was the conversion of ownership and management from foreign companies to government corporations, while in sofar as the landless peasants were concerned, they benefitted relatively little from the whole process.

/In a certain

26/ Source: Country Review Paper on Sri Lanka (ARRD/CRP/9) prepared by F.A.O. for The World Conference on Agrarian Reform and Rural Development (dated 2.5.78).

27/ Ibid.

In a certain way, the Sri Lanka experience stands in contrast to the broader experience of South Asia. First, its major distinguishing feature was the fact that land reform got primarily directed towards foreign owned estates and thus made the whole reform programme more tangible. This is reflected in the success of the programme in acquiring 14 per cent of total agricultural land of the country within a relatively short span of two years. But this impressive achievement was largely diluted by the bureaucratic handling of the problem of distribution of acquired land, which failed to improve the lot of the landless and near-landless peasantry significantly. It was the land distribution rather than the land acquisition programme which failed in Sri Lanka. Thus, Sri Lanka, in a certain sense seems to provide a clear example of the limits to bureaucratic land reform without popular involvement.

Section III. Tenancy Reform

Given the specific agrarian structure of South Asian countries and their governments' declared objective of carrying out land reform within the existing structure of private property in land, it is perhaps no exaggeration to say that tenancy reform has assumed at least as much importance as programmes of land redistribution in South Asia. From an analytical point of view, the question of tenancy reform can be linked with the question of unsatisfactory operation of the land lease market. Had the pattern of leasing in and leasing out of land been such as to result in substantial net leasing in by the landless to nearlandless section of the rural peasantry, the inequitous implications of an extremely uneven pattern of land ownership distribution would have been less sharp. For, this would have resulted in a pattern of distribution of operational holdings characterized by a lesser degree of inequality compared to the pattern of ownership holdings, In practice, however, this seems hardly to be the case; indeed, the land lease market often seems to operate in a way which makes the pattern of operational holdings no less inequitable compared to the ownership holding pattern. From the equity point of view, this can be seen as a failure of the land lease market, which justifies the case for a thorough-going tenancy reform.

While comparable country-wise data on the operation of the land lease market is relatively difficult to obtain, the Indian case may be illustrative of a more general problem. Table 8 below provides some rough aggregative data based upon the National Sample Survey results of 1950's to show the broad pattern operative through the land market[28/].

28/ See, Utsa Patnaik, 'Class Differentiation within the Peasantry; An Approach to Analysis of Indian Agriculture', Economic and Political Weekly, Vol. 11, No. 39, Review of Agriculture, September 25, 1976, p. A-83.

Table 8

A. Household Ownership Holdings Leasing Out Pattern

	Per cent of Total			Owned Area per household (acres)	Per cent of owned area leased out
	Households	Owned Area	Area Leased out		
Top	15	70.0	57.5	22.40	9.4
Middle	25	24.5	25.0	4.71	11.7
Bottom	60	5.5	17.5	0.44	36.4
Total	100	100	100	4.80	11.4

B. Household Operational Holdings Leasing In Pattern

	Per cent of Total			Owned Area per household (acres)	Per cent of operated area leased in
	Households	Operated area	Area leased in		
Top	15	66.7	62.5	24.16	19.1
Middle	25	25.5	27.5	5.54	21.9
Bottom	60	7.8	10.0	0.71	26.1
Total	100	100	100	5.43	20.3

What is striking about the above table is the fact that all groups of peasant households seem to participate in the land lease market both for leasing in and leasing out of land. Consequently, the commonplace nation that only top households lease out land to bottom households seems to have little validity. As a matter of fact, it will be seen that the proportion of area leased out by small holders is almost 18 per cent while they lease in not more than 10 per cent of the total leased in area. The reverse is true for large holders at the top who lease out about 58 per cent of the total leased out area, while they lease in almost 63 per cent of the total leased in area. Even these highly aggregative figures are clearly suggestive of the fact that top households dominate the land lease market, not only as leasers out, but perhaps even more so as leasers in of land.

/Under

Under these circumstances, it seems a broadly valid generalization to claim that the operation of the land lease market does not significantly redistribute operational land holdings in a more equitable fashion and this could be seen as one of the narrower economic justifications for tenancy reform.

But beyond this narrowly defined economic justification, tenancy reform as a matter of practical policy has been associated with at least three issues, namely, (i) abolition of intermediary rights; (ii) control of rent; and (iii) security of tenancy. But, as will be evident from our preceding discussion on the aggregative character of the Indian land lease market, there is an important element of ambiguity in usual governmental policy on tenancy reform: tenancy reform is intended to improve the economic conditions of small tenants who numerically dominate the land lease market, while in terms of the volume of land transactions through lease, the dominant group is the large-holding households. In such a situation, unless tenancy reform is carefully devised with reference to the target group of small tenants, its distributional effect may turn out to be more beneficial to the top rather than to the bottom households in the agrarian structure.

Paddy cultivation in Sri Lanka has traditionally been characterized by small tenancy. It has been estimated that somewhere around 35 per cent of the total paddy land is under tenancy, known as 'ande' cultivation[29/]. The first piece of real land reform legislation in Sri Lanka was the Paddy Lands Act of 1958[30/], which provided by law permanent, heritable security of tenure and regulated rent at 25 per cent of the gross crop[31/]. An important innovation of this reform was the introduction of Cultivation Committees elected by the peasants themselves with additional representational weightage ensured for tenants and owner farmers by statute. In spite of this apparent democratic character introduced through the formation of Cultivation Committees, the overall effect of the Paddy Lands Act of 1958 was rather unfavourable. It has been estimated that between 1958 and 1971, more than

/43 thousand

29/ See F.A.O. country paper op cit. Also see Census of Ceylon (1946), pp. 391-92; Report of Paddy Statistics (1956), p. 13 and Census of Agriculture (1962), Vol. I, p. 221. The estimates vary around 25 - 35 per cent from all these diverse sources with not strictly comparable definitions.

30/ Preceded by the 1953 Paddy Lands Act No. 1.

31/ Some regional variation was permitted in the rent regulation. In 12 out of 22 districts rent was 25% of gross produce, while in two districts it was 20%, while in the rest rent varied between one-eighth to one-fourth of produce.

43 thousand complaints of eviction were received by the Department of Agrarian Services in Sri Lanka and actual evictions were considerably larger, particularly taking into account deterioration of tenancy status accepted by a large number of tenants who did not have their name put into the record of rights[32/]. Even of the complaints received, by 1971 only 18 per cent ended in restoration of tenancy through legal procedures[33/]. The Paddy Lands Act was amended 5 times between 1958 and 1970 in order to make Cultivation Committees more functional as well as to prevent illegal eviction. But the amendments seem to have had little impact on the actual situation of the tenants, as eviction cases continued to be reported throughout the period. Two important laws - the Agricultural Productivity Law No. 22 of 1972 and the Agricultural Lands Law No. 42 of 1973 (which later replaced the Paddy Lands Act) - came into operation in 1974-75, with the specific intention of providing greater tenurial security. The new acts made possible the setting up of Agricultural Tribunals in each district, to dispose of legal cases especially relating to tenancy, in a short time. While this new scheme was somewhat more effective than previous amendments, not more than 25 per cent of eviction cases reported ever got settled. In 1977, the Cultivation Committees as well as the Agricultural Productivity Committee (including Tribunals) were disbanded.

With respect to rent regulation in Sri Lanka, available data is quite meagre. It would appear that in general the legally stipulated rent of 25 per cent of the gross produce was adhered to only in the less densely populated North Eastern, Eastern and South Eastern parts of the country, where paddy cultivation was usually on a relatively large commercial scale, while in rest of the country and particularly in the densely populated West Zone, the traditional rent of 50 per cent remained unaltered[34/], bringing no relief to the majority of small tenants.

Since independence, most states in India passed laws designed to (a) abolish intermediary rights on land; (b) control rent; (c) ensure that certain categories of tenants who have been in occupation for a specified

/number of

32/ See Ameer Raza, Evaluation of Paddy Lands Act, pp. 10-12.

33/ I.K. Weerawardena, Lessons of an Experiment: the Paddy Lands Act of 1958, R.I.P.L. Division, June 1975, P. 3.

34/ See Survey of Cultivation Committees, Department of Agrarian Services, 1966 and G.H. Pieris, Share Tenancy and tenurial reforms in Sri Lanka, CJHS, New Series, Vol. 5, No. 1, 1976, pp. 24-54.

number of years are given permanent rights of possession; and (d) permitting those tenants to become owners by paying a multiple of the land revenue as purchase price of the land.

The first, and in some ways the most important obstacle to tenancy reform in India, arose from the fact that the very legal process excluded by definition all those least privileged tenants whose rights were not even recorded. As late as in 1974, it has been estimated that in West Bengal and in Bihar somewhere between 33 to 42 per cent of the sharecroppers have no recorded rights on land. Consequently, it is only the relatively privileged section tenants, whose name entered the record of rights, were within the orbit of the tenancy laws. Of these relatively privileged tenants with recorded rights, a large proportion were evicted or surrendered the land while tenancy laws were being enacted, some succeeded in staying in land, while only a small minority managed to purchase the land they cultivated. This seems to be the common pattern underlying the Indian experience on tenancy reform and numerous studies made on the basis of sample-survey at the state level broadly point to this same general pattern, with some regional variations[35/].

While this is not the place to attempt any detailed survey of the wealth of regional studies available in India, the overall Indian experience can be briefly summed up in the words of the Planning Commission of India[36/]:

/"Soon after

35/ The following is a selected set of references from the vast number of case studies available and sponsored by Planning Commission of India, primarily dealing with the tenancy question:

(i) S.K. Basu and S.K. Bhattacharya, Land Reforms in West Bengal, Oxford Book and Stationary Co., Calcutta, 1963; (ii) V.M. Dandekar and G.J. Khudanpur, Working of Bombay Tenancy Act, 1948 - Report of Investigation, Gokhale Institute of Economics and Politics, Poona, 1957; (iii) M.B. Desai, An enquiry into the Working of Bombay Tenancy and Agricultural Lands Act, 1948 (as amended upto 1953) in Gujarat, Indian Society of Agricultural Economics, Bombay, 1958; (iv) A.M. Khusro, Economic and Social Effects of Jagirdari Abolition and Land Reforms in Hyderabad, Osmania University, Hyderabad, 1958; (v) B. Misra, An Enquiry into the Working of the Orissa Tenants' Protection Act (1948) and Orissa Tenants Reliefs Act (1955) in five districts of Orissa, Utkal University, Bhubaneswar, 1970; (vi) R.R. Mishra, Effects of Land Reform in Saurashtra, Bombay, 1961; (vii) G. Parthasarathy and B.P. Rao, Implementation of Land Reform in Andhra Pradesh, Calcutta, 1969; (viii) M.A. Oommen, A Study on Land Reform in Kerala, Oxford and IBH Publishing, 1975; (ix) Baljit Singh and S. Misra, A Study of Land Reform in Uttar Pradesh, New Delhi, 1964; (x) D. Singh, A Study of Land Reform in Rajasthan, Pilani, 1964; (xi) Sonachalam, Land Reforms in Tamil Nadu - An Evaluation of Implementation, Oxford and IBH Publishing Co., New Delhi, 1970.

36/ Draft Fifth Five Year Plan, 1974-79, vol. 2, Government of India, Planning Commission, p. 42.

"Soon after Indeperdence, high priority was given to the abolition of intermediary tenures. Accordingly every state enacted its own legislation for the abolition of intermediary tenures on payment of compensation and by 1954, necessary legislation was adopted in almost all the States. The implementation of the enacted laws has since been practically completed. ..... As a result of the abolition of intermediary tenures, about 20 million tenants are estimated to have come into direct contact with the State. ..... Implementation of these reforms imposed a heavy administrative and financial burden on some of the State Governments. The compensation payable to the ex-intermediaries has been computed to be 670 crores out of which about Rs. 275 crores has been paid." But, while abolition of intermediaries have met with relative success in India in the post-independence period, the tenancy reform in respect of security of tenancy and rent control have met with little success. The Planning Commission assessed the whole situation by saying: ".... in several States, in matter of tenancy reform existing legislation falls far short of the accepted policy. On the other hand, there were large scale ejectments through the device of "voluntary surrender", tenancies have been converted to "Nawkarnamal" and crop sharing arrangements remain largely oral and informal. Thus the objectives of tenancy reform still remain to be attained"[37/].

It has been estimated that in Nepal before 1950, about 60 per cent of the cultivated land was under some form of tenancy or other[38/]. From 1951, attempts were made to reform the tenure system which led to the abolition of certain types of outdated tenure system known locally as Birta, Jagir, Rajya and Crown Land. These efforts were largely diluted due to almost complete absence of any record with the government showing much land was actually held by each Birta holder. Since the onus was left to the holders of tenure to declare and the government was in no position to check the correctness of these declarations, the tenancy reform did not cover more than 10 per cent of the cultivated land[39/]. Following a series of rather mild land reform acts of the 1950's, in 1964 the Land Act was put into effect, with the intention of completely abolishing Zamindari rights, reinforcing the security of tenancy and controlling rent. To guard against arbitrary eviction, the Act provided

/that, for

37/ Ibid, p. 43.

38/ M.A. Zaman, Evaluation of Land Reform in Nepal, op. cit., p. 8.

39/ M.C. Regmi, Some Aspects of Land Reform in Nepal, Kathmandu, 1960.

that, for a tenant to be evicted, he has to be found guilty of either non-payment of rent (except at times of natural calamity) or bad management to land leading to fall in land value or discontinuation of cultivation at least for a year. On control of rent the Act of 1964 was almost non-committal and hardly went beyond the Act of 1957 and the Agricultural Reorganization Act of 1963, by simply reiterating that, except in Kathmandu Valley, the "rent can, in no case exceed 50 per cent of the gross annual produce or the prevailing rate of rent." Another interesting aspect of the 1964 Act was to make it obligatory for the landlord to give a receipt for the rent paid. Any refusal was punishable by six months' imprisonment and a fine of a thousand rupees. But the law was amended almost as soon as it came into effect and by 1966, the punishment for refusal to pay a receipt was a fine not exceeding five hundred rupees.

Repeating the pattern of India and Sri Lanka, the net effect of tenancy reform in Nepal seemed to be large scale evictions of tenants trying to assert their rights and also a sharp rise in tenancy under litigation. Table 9 below provides a glimpse of how the tenancy reform, as usual, got entangled in the legal system of the country.[40/]

Table 9

Tenancy under litigation (under section 32 of Land Act providing for punishment of landlords in case of violation of tenancy rights)

	Absolute Number	Per Cent
1. Tenants and owner-cum-tenants in Nepal	460,200	100
2. Number of cases filed	33,700	7
3. Cases decided	20,500	60
4. Cases pending	13,200	40
5. Cases decided in favour of:		
(a) tenants	16,800	82
(b) landlords	3,700	18

40/ M.A. Zaman, op. cit., p. 34.

In brief, the attempts to reform tenancy in Nepal exhibited similar features as in most South Asian countries - 'voluntary surrenders' and eviction of tenants, virtual non-implementation of rent control, entanglement in a long-drawn legal system and, above all, unrecorded tenancy - which make any proper evaluation of tenancy reform almost impossible. However, as a result of the Land Act of 1964, 0.2 million out of 1.8 million tillers were issued with permanent tenancy rights. At the same time, by 1977, there were about 34 thousand cases of tenant disputes and 3,000 cases of rent disputes. Of these only 50 per cent had been settled, mostly in favour of tenants. But the most dramatic negative effect of the tenancy reform was reduction of tenancy, from 60 per cent to almost 40 per cent of peasant households after the reform, while area under tenancy went down by almost 30 per cent from an initial figure of 60 per cent of cultivated land under tenancy[41/]. These massive reductions in the per cent of area under tenancy as well as per cent of tenants in agricultural households point to the eviction of tenants on so large a scale that one is almost left wondering whether tenancy reform did have a net beneficial effect on the small tenants as a group in Nepal.

In Pakistan (the then-West Pakistan), it is believed that at the time of independence over 50 per cent of the cultivated land was held in tenancy: 50 per cent in the North West Frontier Province, 56 per cent in Punjab and 80 per cent in Sind[42/]. The report of the Land Reform Commission which preceded the Martial Law Regulation 64 in 1959 recommended (i) conversion of occupancy tenancy into full ownership rights; (ii) control of rent and security of tenancy; and (iii) abolition of 'jagirs' and other intermediary interests in land, as a minimum programme of land reform. The recommendation of the Land Reform Commission regarding abolition of 'jagirs' was incorporated in the Martial Law Regulation 64. Only in the province of Sind, the total number of 'jagirs' was 400 covering 11 lakh acres and these 'jagirs' paid no land revenue to the government except water charges. The abolition of 'jagirs' and redistribution of land to the cultivators thus made a two-fold contribution to the government revenue - it increased land revenue and it made additional income possible through the sale of former 'jagir' land. The net contribution

/was calculated

41/ F.A.O. Country Review Paper on Nepal prepared by Agricultural Project Services Centre, Kathmandu, Nepal, February. 1978.

42/ I.L.O., Land Reform in Asia (edited by Zubeda M. Ahmed) op. cit., p. 15 (article by Akira Takahasi, "Land Reform from above: Pakistan.")

was calculated to be around Rs. 10 million with a recurring income of Rs. 3.1 million. The main feature of the 1959 Regulation was a considerable progress towards abolition of 'jagir' rights, but otherwise its impact was minimal in terms of tenancy reform.

The Martial Law Regulation 115 of 1972 under President Bhutto reopened the question of tenancy reform. It did not abolish tenancy, but hoped for the ultimate promotion of occupancy tenants to owners and of tenants-at-will to occupancy tenants and, finally, to owner cultivator. The legal provisions for security of tenancy in the 1959 Regulation was strengthened in three specific ways:

(i) The 1972 Regulation prohibited eviction, unless it was established in a revenue court that the tenant has (a) failed to pay rent; (b) rendered the land "unfit for the purposes for which he held it", or, (c) sublet his tenancy.

(ii) It also made the landowner exclusively responsible for paying land revenue and bearing all the necessary operating costs of cultivation. Only the cost of fertilizer and pesticides were to be shared equally between the tenant and the landlord.

(iii) It strictly prohibited landloards from levying any cess or claiming free labour service from the tenant.

The main improvements in the 1972 tenancy reform compared to the 1959 one, can be schematically seen from table 10 below[43/].

Table 10

Martial Law Regulation 64 in 1959 in Pakistan (West)	Martial Law Regulation 115 in 1972 in Pakistan
1. Occupying tenants had to pay to become owners.	1. Land is to be transferred to landless and very small holders without payment.
2. No tenant could be ejected unless he failed to fulfil obligations on his part.	2. Eviction of tenant allowed only if he fails to pay rent, uses the land in a manner that renders it unfit for cultivation or sublets.
3. Sharing of cost as in the tenancy acts of 1950-52.	3. From 'kharif' season of 1972, land tax, water cost and seed cost fully payable by landlords
4. No provision on farm labourers.	4. Same.

43/ Ibid. p. 28.

While it has been rather difficult for us to evaluate the tenancy reform aspect of the 1972 Regulation in the absence of detailed data on the number of evictions, court cases relating to tenancy, etc., in the post-1972 period, it has rightly been pointed out by various commentators that the 1972 Regulation had one extremely serious lacuna: share tenancy continued to be legal while the upper rental limit was not seriously implemented. Since the Regulation did not place any limit on what percentage of the total crop may be charged as rent, it is more than likely that landlords have tried to secure a higher share of the produce to compensate for the additional cultivation costs they were forced to bear as a result of the 1972 Regulation. In that sense, the tenancy reform aspect of the 1972 Regulation was incomplete even on its own terms.

There were substantial differences in the agrarian structures of (the then) West and East Pakistan at the time of independence. While the West was characterized by very large landlordism, almost comparable to feudal estates, the situation in the East was characterized by smaller-scale landlordism in general. But with a much greater population pressure on land, the phenomenon of landlessness was quite pronounced even in the Eastern part. According to the 1951 Census, roughly 25 per cent of the total agricultural labour force were predominantly share-croppers and agricultural labourers, with virtually no land of their own[44/]. The East Bengal Estate Acquisition and Tenancy Act of 1950 tried to bring about tenancy reform mainly by (i) abolishing intermediary rent receiving rights through compensation; (ii) prohibiting subletting (but share-cropping was specifically excluded from the definition of subletting); (iii) making the 'Nakar-system' of bonded labour illegal; and (iv) finally, fixing maximum rent to one-tenth of the annual gross produce of land. (In effect, this meant that kind rent was not to exceed 50 per cent of the produce)[45/].

The abolition of intermediary rights were challenged by the landed interests in the High Court and the case was decided only in 1958 in favour of the government. However, even after winning the case, the government decided not to acquire rent receiving interests until compensation assessments were completed. And it was only as late as in 1964 - 14 years after the

/enactment

44/ Census 1951, Vol. 1 (East Pakistan), Government of Pakistan, Karachi, pp. 14-15.

45/ See Kamal Siddiqui, op. cit., p. 54.

enactment of the law - that rent receiving interests of these lands finally vested in the government. Thus, the impact of intermediary abolition must have been considerably diluted in Bangladesh as enoughtime was given for legal evasion through the creation of new rights, concealments, forged documents, bribery, etc.[46]. On other aspects of tenancy reform, the failure was still greater; for example, the Land Revenue Ministry could not cite even one example where action had been taken against sub-letting.

The post-Bangladesh land reforms were much more directed towares land ceiling rather than towards tenancy reform. One of the immediate steps taken by the new government was to waive all land revenue including arrears and interest due on agricultural land upto April 14, 1972. Secondly, agricultural families with land holding below 25 'bighas' (approximately accounting for 99 per cent of households) were exempted from payment of land revenue with effect from April 14, 1972. These two measures have been estimated to result in a loss of revenue of Takka 360 million and an annual loss of Takka 60 million for the new government. While financial losses of this order must have reduced the administrative capability of the government to launch on longer-term tenancy reform, the government showed little intention of carrying out a thorough-going tenancy reform. Thus, the First Five Year Plan Document of Bangladesh remained almost silent on the question of doing away with share tenancy and no legislations were passed. The following Table 11 shows the extent of rent control and security of tenancy achieved in Bangladesh, as brought out by the Land Occupancy Survey of 1977.

Table 11

	Terms of Share-cropping[a]			Security of tenancy upto[b]				
	< ½ of produce	=½	>½	1yr.	2yr.	3yr.	4yr.	5+
Per cent of tenant and part-tenant households	1.26 (0.04)	93.27 (8.26)	5.47 (0.67)	31	25	16	6	22
Per cent of tenanted land	1.54 (0.04)	90.42 (10.43)	8.04 (0.90)	22	25	18	6	29

Notes on Table 11

a) The per cent in the parantheses refer to the additional cash payment by those tenants and owner-cum-tenants reporting share payments.

b) Rounding off of error due to omission of decimal places make the table slightly different from the original.

46/ I.L.O. Report to the Government of Pakistan on Labour conditions in agriculture, Geneva, 1955.

Although considerable care should be taken not read too much into the above Table due to systematic under-reporting bias out of fear of the landowner, it superficially appears that rent control has been a reasonable success, but security of tenancy has been a dismal failure with the majority of land under tenancy and tenants having less than 2 years' security. But even on rent control, the success seems more apparent than real, when from the same Land Occupany Survey of 1977 one finds that systematically more than 99 per cent of cultivation cost (seed, fertilizer, pesticide and water charges), i.e. almost the entire cultivation cost is provided by the tenant. Thus, rent is fixed around 50 per cent while expenses are borne entirely by the tenants. This could hardly be considered a success story of tenancy reform in post-independence Bangladesh.

Section IV. Land Consolidation and Water Management

Most programmes of land reform usually involve two rather distinct aspects - an aspect of land redistribution including tenancy reform and another aspect which is directed towards releasing the agricultural potentials for production, of which land consolidation is perhaps the most important element. It is, of course, an over-simplification to make a water-tight separation between these two broad aspects - the distributional effect and the production effect - of any land reform programme, as they interact with one another in a complex fashion. Thus, for example, tenancy reform directed towards fixing a ceiling on rent or tenurial security is concerned not only with distributional questions but also with questions of economic motivation for higher production by the tenant. As is wellknown, a higher proportion of produce extracted as rent under share-cropping may adversely affect production by reducing the reward associated with addition effort made by a tenant. Similarly, lack of tenurial security may prevent a tenant from undertaking any long-term fixed investment on the land from which he may easily be evicted at the will of the landlord. While such specific motivational hypotheses may or may not hold in particular cases, there seems to be little ground to doubt the general proposition that redistribution questions associated with land reform are quite intimately connected with motivational questions for higher agricultural production. For, it is the distributional principles which determine the material incentives guiding production to a very large extent.

/Although it

Although it is an oversimplification to separate the redistributional effects of land reform from its production effects, some conceptual clarity may be gained by keeping this distinction in mind, at least as a first approximation. And, it is only in this approximate sense that land consolidation may be considered primarily in terms of its production effects on agriculture, in the South Asian context.

Land reform programmes in South Asian countries have often, but not always, laid considerable emphasis on the problem of land consolidation. This problem seems to be especially acute in the context of South Asian countries and it is not clear that the problem received the extent of attention it deserves in these countries. In India, the problem of fragmented and scattered holdings was frequently mentioned in Plan documents, but in fact, no law for effecting consolidation of holdings has yet been passed in the Andhra area of Andhra Pradesh, Kerala and Tamil Nadu. The laws of Gujarat, Madhya Pradesh and West Bengal provide for consolidation only on a voluntary basis. The remaining States in India had passed the necessary legislation for compulsory consolidation by 1974[47/]. By about 1972, it is estimated that in all about 32.6 million hectares of land had been consolidated, accounting for something like 23 per cent of the land under cultivation in India. Work regarding land consolidation has been extremely uneven over various regions of India.- while land consolidation is nearly completed in the Punjab and Haryana, and some progress has been made in Uttar Pradesh, Maharashtra and Himachal Pradesh, the work virtually remains to be begun in many other States of India.

With its extremely small land holdings, dominating the agricultural scene, Bangladesh has traditionally suffered from an additional problem of scattered and fragmented land holdings. The following Table 12 gives an idea of the extent fragmentation of holdings in Bangladesh in 1960[48/].

/Table 12

47/ See, Draft Fifth Five Year Plan, 1974-79, op. cit., p. 43.

48/ A.R. Khan, Bangladesh Economy, Oxford University Press, 1972, p. 42.

Table 12

Extent of Fragmentation of Holdings in East Bengal (Bangladesh) in 1960

	Number (in millions)	Per cent (of total farms)
Farms not fragmented	0.62	10
Farms with 2-3 fragments	1.29	21
Farms with 4-5 fragments	1.08	17
Farms with 6-9 fragments	1.39	23
Farms with 10 or more fragments	1.76	29
Total:	6.14	100

Thus, in 1961, 90 per cent farms were fragmented in Bangladesh. While for relatively smaller farms below 2.5 acres, 83 per cent were fragmented, for medium (2.5 - 12.5 acres) and large farms, about 97 per cent were fragmented[49/]. The East Bengal Estate Acquisition and Tenancy Act of 1950 gave some attention to the problem of fragmentation of holdings by making the provisions that (i) no holding could be sub-divided to the extent that the rent of any portion would be less than Takka 10; and (ii) if not less than two-third of the villagers holding at least three-fourth of the cultivable land in the village applied, the collector could then consolidate all the holdings. In effect this latter provision, like the typical land consolidation laws in many parts of India, made consolidation more or less a matter of voluntary co-operation, without being able to provide any clear institutional basis for such co-operation. Under these circumstances, as Table 12 shows, ten years after the enactment of the law, fragmentation continued at an unabated rate under the pressure of population on land and the laws of inheritence in Bangladesh. The steep trend of land fragmentation seems to have continued in post-independence Bangladesh also, as no concerted attempts were made towards land consolidation by the successive governments of the 1970's.

The dismal picture of land consolidation in most parts of India and in Bangladesh can safely be assumed to have close parallels in the other countries of South Asia. Indeed, the major legal provisions concerning land reform in Pakistan, Sri Lanka or Nepal mentioned in the course of our study,

/show little

49/ Government of Pakistan, Census, 1960, Vol. I (East Pakistan), p. 17.

show little awareness of the problem of consolidation of agricultural holdings. In the absence of detailed statistics on land fragmentation in these countries, it is not easy to assess, how pressing this problem of land consolidation is in individual countries; but with more or less similar inheritence laws and growing pressure of population on land, one could safely extrapolate a strong tendency towards greater fragmentation and scattering of agricultural holdings, in the absence of deliberate policies to counteract it. There could be only two important factors counteracting this historical tendency towards greater fragmentation. First, the colonization programmes in West Punjab (Pakistan) under the British rule acted as an 'initial condition' of relatively less fragmentation of holdings. The colonization schemes in Sri Lanka in the more recent period[50/] may also be expected to have similar effects. Secondly, there have been some attempts at Command Area Development Programme in India and some similar attempts in Bangladesh which effectively operate on the principle of a consolidated large area under cultivation. But these attempts are still in an embryonic stage, covering a negligible portion of land under cultivation and cannot, as a matter of arithmetic, be expected to have any perciptible impact on the land consolidation programmes at the national level.

There are, however, at least two rather important problems associated with attempts at land consolidation, especially in the context of South Asia, which deserve special mention. First, land fragmentation through population pressure and inheritence laws, typically operate on ownership holdings, while from the point of view of land management, it is usually consolidation of operational holdings which is more important. This seems an important reason that makes the handling of the consolidation problem exceptionally difficult through individual efforts and voluntary choice by peasants. Secondly, land consolidation usually has the undesirable effect of large scale eviction of tenants in the process of consolidation and should not be taken up independently of the question of tenancy reform in the South Asian context.

One of the significant repercussions of the land fragmentation problem is its adverse effects on the nature of water management in any given situation. One could identify at least four major ways in which a highly fragmented pattern of land holdings reduce the efficiency in water management. First, it makes the problem of land-levelling almost insurmountable, lowering the

/efficacies of

50/ See, Land Settlement in Sri Lanka, 1840-1975, Agrarian Research and Training Institute, Study No. 16, Colombo, January, 1976 (memeo) for details. Also, New Settlement Schemes in Sri Lanka by A.O. Ellman and D. de. S. Ratnaweera, Research Study Series No. 5, Agrarian Research and Training Institute, August, 1974 (memeo).

efficacies of public irrigation programmes. Secondly, it makes it exceedingly difficult to construct an efficient network of subsidiary channels, linked to major public irrigation schemes. Thirdly, for the same reason, it makes proper planning of drainage work highly problematic. Finally, with scattered holdings, a relatively rich peasant with financial abilities to invest may decide to exploit underground water in a way which corresponds to his pattern of fragmented holdings, with virtually no concern for the optimal use of the subsoil water table.

It should be candidly admitted that the problem of highly inefficient water management is only partly caused by fragmentation of holdings; in the final analysis, many of these problems can be seen to arise from an unrestricted notion of private property in land[51/]. Thus, for example, even when it is technically desirable to have 'deep' rather than 'shallow' tube-wells, there would be a tendency to increase shallow tubewells which only covers one's privately owned land and probably would result in several such shallow tube-wells against all technical consideration, where a large farm is scattered into fragmented holdings. At the same time, it becomes far more difficult to exploit surface water sources (like tanks and ponds) adequately, as they typically are not privately owned, requiring a collective approach of cost sharing. Further, such private investment to exploit surface water may not easily be embodied into tangible private property, unlike a privately owned tube-well or pump set. It is in the light of these considerations that the following Table 13 - which shows a phenomenal growth of private "shallow" tube-wells and pump sets in relation to "deep" (public) tube-wells as well as the extremely sluggish growth in the exploitation of surface water in India - should be judged.

/Table 13

51/ See, A. Bhaduri, A Critical Approach to Irrigation Statistics in India, International Review of Social Sciences, 1976.

Table 13

Management of Water through "minor irrigation method" in India[52/]

	1950-51	1968-69	1973-74
Surface water exploited through minor irrigation schemes in India (in million hectares)	6.4	7.0	7.5
Shallow private tube-wells (measured in thousands)	3	250	810
Deep public tube-wells (in thousands)	3	15	20
Electric pump sets (in thousands)	21	1,089	2,441
Diesel pump sets (in thousands)	66	721	1,753

Although the causes underlying the extremely disparate pattern of development of the sources of minor irrigation, as exhibited by Table 13 above, remains a matter of conjecture for the moment, it seems plausible to argue that private property based socio-economic forces have seriously intervened in water management along the lines suggested above, in contrast to strictly technological considerations. The management of water has thus to be linked to the question of land ownership and management, not only in India but perhaps in all countries of South Asia.

Section V. A Summing up and the Perspective on Land Reform in South Asia

Conceived essentially with the framework of limited private property in land, there has been a certain commoness in approach towards land reform in all the five countries of South Asia. They all have tried to tackle the problem of inequality in land ownership, leading to relatively large agricultural holdings on the one hand, and complete to near landlessness, on the other, by simply imposing a maximum ceiling on individual or family ownership of land. This ceiling has varied enormously among countries - from

/500 acres

52/ Sources: Draft Fifth Five Year Plan (1974-79), Vol. 2, Government of India, Planning Commission, p. 105.

Central Water Commission's Chairman Y.K. Murthy's (unpublished) report 'Water Resources - the Challenge Ahead'. (memeo), 1976.

500 acres of irrigated land in (west) Pakistan under Ayub Khan's military regime in 1959, to only 2.7 hectares under the Land Act of 1964 in the Kathmandu Valley in Nepal, or only a acres in Orissa in 1971 in India (see Section II for details). But, in spite of such enormous variations in the ceilings, there has been one common pattern exhibited by the almost complete failure of the ceiling laws to redistribute land effectively on a large scale. In each country, the actually acquired land was invariably considerably below the estimated surplus land and the portion of acquired land that was distributed to the poor was only a fraction of the total acquired land. The failure was then two-fold: inability to acquire surplus land on a sufficient scale and inability to distribute the acquired land to the poor. The ineffectiveness of the governments in acquiring surplus land partly stemmed from the sluggish operation of the land reform machinery which allowed enough time to the big landowners to evade laws on ceiling; it was also partly the result of a legal machinery which made taking actual possession of surplus land by the government quite a difficult and time-cunsuming process. The failure to redistribute acquired land to the rural poor is partly explained by the fact that much of the acquired land was uncultivable, as the landowners usually had the choice to decide which portion of their land they wished to surrender as surplus. A ost in all cases, about 40 to 50 per cent of the acquired land was uncultivable. Table 14 below summarizes the experience of the operation of the ceiling law in the countries of South Asia, based upon our more detailed discussion in Section II of this paper.

Table 14

Country	Per cent of land under cultivation in the country			
	Estimated Surplus	Declared Surplus	Taken actual possession by government	Distributed to the rural poor
Bangladesh (1975)	3.6-5.3	2.6	1.4	n.a.
India (1976)	3.7	1.4	n.a.	0.42
Pakistan (1974)	5.7	1.8	n.a.	0.79
Nepal (1972)	4.3	2.2	1.5	0.90
Sri Lanka (1976)	n.a.	14.0	n.a.	1.4

As will be seen from the very last column of the above Table, in no case more than 1.4 per cent of the total cultivated land was distributed to the rural poor. And even in the case of Sri Lanka, where the performance was undoubtedly the best, the land reform programme was essentially directed towards acquisition of foreign-owned plantation estates by the State. It succeeded in acquiring considerable land, but the State bureaucracy was unable to redistribute it effectively among the rural poor. In other cases of South Asia, Table 14 speaks for itself - it was almost a systematic failure at every stage of the programme of applying land ceiling laws.

A comparative evaluation of tenancy reform in South Asian countries is more problematic, as the tenurial arrangements have been quite different across countries. But three broad features seem to emerge. First, perhaps the only, significant achievement of land reform programmes in South Asian countries has been their relative success in abolishing or at least significantly reducing the importance of intermediary rent receiving interests in the form of Zamindari, Jagir, etc. It could perhaps be said that the importance of such large intermediaries are somewhat less in the agrarian structure of these countries today, compared to their situation at the time of independence.

Secondly, on the question of rent control and greater tenurial security, the agrarian reform programmes have failed miserably. Indeed, one common point that emerges is the fact that the wide practice of oral and informal tenancy makes this whole legalistic approach towards tenancy reform somewhat irrelevant, as a very high proportion of tenants have not even been recorded as tenants. Thus, updating of land records have to be considered as the very foundation of tenancy reform programmes to start with and most governments do not appear administratively or politically capable of meeting this challenge.

Finally, the extreme failure on the question of tenurial security in these countries has almost been dramatized by large scale eviction of tenants during the very process of tenancy reform. Indeed, this could even be called the 'announcement effect" of tenancy reform - the very announcement of intention by the government of reforming tenancy, allows the landlords to pre-empt possibilities of such reform by evicting tenants on a large scale. That this continues to be the case in all South Asian countries, is a sufficient commentary on the state of tenancy reform in these countries.

On the question of land consolidation as an important aspect of land reform in South Asia, it is not even clear that all countries of the region recognize this as an important problem. Available evidence shows that

/sporadic

sporadic attempts at land consolidation have led to a more or less complete failure in Bangladesh and in India, except in the Punjab and Haryana regions of India.

Given this systematic pattern of almost complete failure on the question of land reform in South Asia, one cannot but speculate what kinds of measures could be more effective. Except for the naive or the hypocrite, everyone knows land reform to be a political question. It is also evident that any land reform machinery which is based upon that very landed class which it wants to curb cannot go far. Exactly for the same reason, no State machinery can go far against its own class interests. And this has to be recognized as the fundamental constraint on land reform in South Asia - it is essentially a political constraint on a political question.

Given these narrow political limits, most programmes of agrarian reform which may make sense both in terms of distributive justice and in terms of releasing agricultural production potentials may actually turn out to be utopian programmes with little operational significance. For example, it may be forcefully argued that given the extremely unfavourable land-man ratio in Bangladesh, agricultural co-operative movements rather than land-ceilings and reform of share-tenancy, should form the very backbone of agrarian reform in Bangladesh. This will also be a much better instrument for handling the land consolidation and water management problems which present institutions based upon private property in land are almost incapable of handling. But whether such programmes have any operational significance within the present political context of Bangladesh or elsewhere in South Asia, remains an open question.

There is another important problem related to the sustainability of a land reform programme. Any programme of land redistribution in favour of the landless and poor tenants can be sustainable over time, only if such small and marginal farmers are given conscious and deliberate support by the State in terms of easy and cheap availability of credits and other complementary inputs. It is interesting to note in this context that the Land Act of 1964 in Nepal did try to integrate the problem of rural credit with land reform, at least to some extent through provisions regarding a "compulsory savings scheme." This problem has still not been sufficiently recognized in some other South Asian countries - the essential need of integrating a rural credit reform programme with land reform. Indeed, very often the cart has been put

/before the

before the horse by examining in isolation the viability of marginal farmers without having the complementary land redistribution programme to support it and give it wide social significance. But this is one area, where even within the very limited context of marginal redistribution of land to the rural poor, a start could be made to integrate rural credit reform with land reform, to ensure sustainability and consolidation over time of whatever little gains are made in land reform.

Beyond this, as we have already mentioned, the scope and nature of land reform remains a political question in South Asia - a political question to which academic economic answers and solutions are irrelevant. For, a political question demands a political solution in the final analysis.

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